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PRIORITY

FOREIGN SERVICE DESPATCH

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TO: THE DEPARTMENT OF STATE, WASHINGTON. — DATE: June 25, 1954

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SUBJECT: Joint Weeka No. 25 for State, Army and Air Departments from SA

SUMMARY:

The long brewing discontent of the anti-Communist elements against the Guatemalan Government broke out into open revolt on Friday, June 18, when Colonel Carlos CASTILLO Armas and other Guatemalan exiles crossed the border from Honduras and raised the banner of rebellion on Guatemalan soil. The insurgents control portions of the lower Motagua Valley between the town of Gualán and the outskirts of Puerto Barrios and appear to be now engaged in attacks on Chiquimula and Zacapa. At the same time, the rebel planes, apparently operating from bases outside of Guatemala, have made demonstrations over various Guatemalan cities and towns, and reportedly are playing an active role in the battle area. The fortunes of the insurgents at this time are extremely difficult to appraise since neither the official Army communiqués of the Guatemalan Army nor those of the headquarters of Colonel Castillo Armas appear overly reliable, and there is little other information from the fighting front.

The Government has sought to meet the insurgent threat by sending most of the troops from Guatemala City to the area of combat, while increasing the police force greatly to maintain order in the City and to round up possible elements of a Fifth Column. The number of arrests made by the police during the week appears very large, although the rigidly censored press and Government-controlled radios make no mention of these detentions. On several evenings the City has been thrown into complete darkness by the interruption of all electric service in blackouts ostensibly designed to protect the City from air-raids but apparently really intended as concealment for the movement of troops out of the City. While the Government order of June 18 preventing the departure of Guatemalan nationals and foreigners has been relaxed somewhat, the relaxation is of no great importance in itself since airlines have since June 18 suspended all flights to and from Guatemala and the highways and railroad offer the only feasible means of egress from the country.

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Desp. No. 1323
From Guatemala

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Encl. No.
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From

DOMESTIC

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Military Situation. The rebels appear to have occupied for a time at least the Motagua Valley from Gualán, in the mid-valley, to the outskirts of Puerto Barrios, although the Government now claims that it holds Gualán and the region between Puerto Barrios and Morales. Heavy fighting appears to be in progress in the Chiquimula-Zacapa region, and on June 23 it was reported that four rebel planes were actively bombing and strafing the area. There are rumors of heavy Government casualties in the area. The rebels early in the week approached Puerto Barrios, although it is not clear whether they were seriously attacking the port or merely probing its defenses. The Government forces were successful in capturing a small Honduran sloop loaded with arms in the Santo Tomás Bay when the sloop ran aground and its crew deserted in panic.

Due to the lack of roads in this region, and to the heavy rainfall of recent weeks, transportation has been exceedingly difficult except by railroad, a situation which has apparently favored the Government considerably. To hinder the passage of troops, the rebels have through sabotage and aerial bombing attempted to damage several bridges in the region, achieving considerable success on the bridge at Gualán but apparently doing little harm to the bridges at Zacapa and Cristina.

Air Action. The rebels appear not only to be taking advantage of their air superiority in the battle area but have made several incursions over various towns and cities. They have at least two F-47 fighter planes of Second World War vintage which completely outclass the Government's P-26's built some 15 years earlier. Consequently, the rebel planes have been able to roam freely over the country, menaced only by fire from machine guns, largely 30-caliber, rifles, pistols and a few old Bofors 20 m.m. guns. These F-47's have visited Guatemala City on three occasions, the first on the afternoon of June 18 when two of them circled the City, firing four bursts at no apparent targets from their 50-caliber machine guns, and releasing pamphlets. On the following morning, one plane returned, strafing an old Guatemalan bomber on the runway at the Airport. On the morning of June 22, one of the planes paid another visit to the City, machine gunning a radio broadcasting station and the gasoline storage tank of the Shell Company. The pilot was apparently intending to attack the transmitting station of the official Government radio TGW, but actually machine-gunned the station of a Protestant Missionary organization, knocking it off the air with damage amounting to several thousand dollars. The attack against the Shell tank was more successful, causing a loss approaching 50% of the 140,000 gallons of gasoline then on hand. The tank did not catch fire and the gasoline not lost was transferred to other storage tanks in the vicinity. That this attack was more in the nature of a demonstration than a serious attempt at interference with the gasoline supplies of Guatemala City is suggested by the fact that no attacks have been made against the other gasoline storage tanks around the city.

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Shortly after the appearance of the planes over the city on June 18, the house of Colonel Rodolfo MENDOZA, former Chief of the Guatemalan Air Force who is now in charge of Castillo Armas' aerial activities, burst into flames. The Government, in its early radio and press statements, attributed this fire to a bomb dropped by the planes, but there is good reason to accept the widely held view that the fire was actually set by persons connected with the Guatemalan police.

The rebel forces also possess one or more C-47 (DC-3) planes which they have used in dropping arms intended for supporters throughout the country and in assisting their military operations. One of these apparently flew over the City about midnight June 18-19 and was greeted by considerable ineffective gunfire. The plane took no action over the City.

The rebel planes are also reported to have strafed or bombed the barracks in Cobán and oil storage installations in San José but there are no reports of damage to these objectives.

No Popular Uprisings. It is fairly obvious that Castillo Armas in his plans counted heavily on popular uprisings throughout the country but so far no such uprisings have occurred despite efforts made by the rebels to parachute arms to their supporters. Expressions of sympathy for the rebel cause are heard with great frequency, not only among the well-to-do but also among the poorer classes, and it seems very possible that there is greater popular sympathy for the rebel cause than for that of the Government. However, sympathy for a cause is one thing and willingness to take the risk of acting for it is another. As far as is known, except in the area of the Motagua Valley, there has been no serious attempt to sabotage communications, transportation or fuel supplies, despite the fact that many key installations are unguarded and readily subject to attack. The Government has apparently been able to move its troops from Guatemala City to Zacapa and beyond without even so much as a telegraph line along the railroad being cut.

Police Action. The Government, of course, has acted energetically to meet this crisis. The forces of the Guardia Civil and the secret police have been increased greatly and there has been some arming of members of leftist organizations to assist in the maintenance of order in the City. In the country, bands of peasants have been aroused to defend the Government and have been active in stopping and searching automobiles along the highways, but apparently doing little harm. In Guatemala City, the police have been extremely active during the week in searching houses and arresting people on the most general suspicions. During the week, the police made at least seven arrests of American citizens, five of them being newspaper men and two of these arrests being at the instance of labor leaders who saw them taking pictures in the streets. The Americans

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in all cases were held only a short while, none being detained overnight. The number of Guatemalans in asylum in the various Embassies increased greatly during the week, and it is known that on June 21 there were 88 persons in asylum in the Salvadoran Embassy alone. With the closing of international transportation facilities, these refugees were unable to leave the country.

Blackouts. During the period June 18 through June 23, all electric service to the City was suspended for varying periods, some nights only an hour or so, and other nights for several hours. The blackouts were rigidly enforced and home owners were not allowed to show even a glimmer of light which could be seen from the street, and all traffic was brought to a halt. On certain evenings, armed men, presumably persons temporarily inducted into the police force, patrolled the streets shooting at windows showing lights, but actually doing little real damage. It is apparent that aside from the blackout shortly before midnight June 18, the other blackouts were not designed to impede enemy aviation but were ordered to conceal the movement of troops through the City, particularly from the barracks to the railroad station.

President Arbenz' Speech. President Arbenz on June 20 delivered a lengthy speech in which he stated the Government's case. He accused the United Fruit Company of backing the rebellion or, as he termed it, invasion, and told how the conspirators were recruited from "Somozista Nicaraguans, Carista Hondurans, Calderonista Costa Ricans, Trujillista Dominicans, Cuban mercenary adventurers and a few Guatemalan exiles". He asserted that the Honduran Government had allowed these men openly to load their military supplies into airplanes at the Tegucigalpa airport for flight to Copán from where they launched their attack. He stated that for some time the regime of Sr. Somoza has contributed to the preparation of this invasion and added "Naturally, we all know who he is who thinks for Sr. Somoza and who holds the power behind his throne".

Turning openly to the United States, President Arbenz said that the refusal of the Government of the United States to sell arms forced Guatemala to turn to other countries to procure the elements of its defense, and he asserted that since receiving these arms, officials in Washington and the North American press had carried on a strident campaign designed to confuse the North American people and the continent. Then, he added, "Unfortunately, even the President of the United States has had little regard for his high office and, through lack of information or for other reasons, has joined the campaign of pressure and softening up against Guatemala, a campaign whose fiery champions are the representatives of the North American millionnaires, such as McCarthy, Wiley and Foster Dulles". President Arbenz declared that "the Guatemalan friends of Foster Dulles wish to sow terror among the population, making surprise attacks from pirate airplanes against women and children, as has occurred at Chiquimula where they machine-gunned the girls' school and in the very capital where the first child has died".

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President Arbenz then claimed that the great error made by Castillo Armas in his calculations was that the people would rise in his support. He recited the Guatemalan efforts to maintain good relations with Honduras and its appeal to the United Nations for protection against aggression. He then referred to the great demonstrations of popular support for Guatemala which he claimed were being held throughout Latin America and asked where demonstrations in favor of Castillo Armas were being held.

Government Propaganda. The Government has effectively dominated all organs of propaganda in the country. The press publishes nothing but Government releases and the most innocuous general news. The local radios have been tied into a single chain on which the same official program is broadcast at all times. The clandestine opposition radio has been largely drowned out by the official stations. The official propaganda line drummed over and over on the radio is that the forces of Castillo Armas are mercenary invaders in the pay of the United Fruit Company which wishes to establish a dictatorship, suppressing all popular liberties and economic gains.

Conversations between Ambassador Peurifoy and Foreign Minister Toriello. During the week, Ambassador Peurifoy held three conversations with Foreign Minister Toriello. In the first of these, the Foreign Minister informed the Ambassador of the crossing of the Guatemalan frontier by the forces of Castillo Armas, of the demonstration over Guatemala City by the two F-47 planes on June 18, and of the Guatemalan Government's appeal to the Security Council of the United Nations. On June 20, Foreign Minister Toriello told the Ambassador that an enemy plane damaged by Guatemalan Government fire had been forced down in Mexico and one of its two United States crew members injured, a story which has since proved to be completely unfounded. Toriello in the same conversation complained that press releases made by the State Department had been inaccurate. Ambassador Peurifoy remarked that if necessary he would order the evacuation of American citizens, a suggestion which greatly perturbed the Foreign Minister. In a conversation on June 22, the Ambassador informed the Foreign Minister that if the arrests of American citizens were continued, he would order evacuation of all citizens immediately, and as a consequence, the Foreign Minister gave assurances that such promiscuous arrests would not continue.

INTERNATIONAL

Request for Honduran Assistance against Castillo Armas. On June 16, the Foreign Minister released to the press the text of a telegram he had sent the previous day to the Honduran Foreign Office regarding the activities of Guatemalan exiles in Honduras. In this telegram he reviewed a request made by the Guatemalan Ambassador in Tegucigalpa to the Honduran Government for the concentration of Guatemalan exiles headed by Castillo Armas, who had gone to the

frontier to invade Guatemalan territory, and he once more begged the Honduran Government to concentrate those exiles and to disarm them according to the general rules of international law. While the Honduran reply to this telegram was not published locally, it is understood that the Honduran Government stated that it would seek to apprehend the Guatemalan exiles in question, an obviously tongue-in-cheek undertaking since the exiles had already invaded Guatemala.

Guatemalan Case Before United Nations. On June 18, the Guatemalan Government appealed to the Security Council of the United Nations to hold a special session to consider the aggression against Guatemala and two days later sent a list of alleged specific acts of aggressions to the Security Council. The Guatemalan Government, in its local propaganda, siezed upon the refusal of the Security Council to refer the case to the Organization of American States, and the Security Council's resolution of June 21 calling for the halting of all bloodshed, as great triumphs for Guatemala. On June 23, Foreign Minister Toriello sent an appeal to the Security Council against the alleged continued violations by Honduras and Nicaragua of the Council's resolution of two days earlier. So far, the action taken by the Security Council appears to have had little effect on the Guatemalan situation. The Guatemalan Government has suppressed locally the news that the efforts to refer the case to the OAS were blocked by the Soviet veto, although the Government has repeatedly stated that the Security Council rather than the OAS is the organization handling the matter. On June 23 the Government expressed willingness to have the case referred to the Inter-American Peace Commission, but only after the resolution of the Security Council had been complied with.

For the Ambassador:

William L. Krieg
Counselor of Embassy

Prw/